GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4549
ANSWERED ON:25.04.2005
PRICES OF DRUGS
Chaudhary Shri Pankaj

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the drug manufacturing companies have not cut down the prices of drugs despite the issuance of notification regarding reduction of excise duty on drugs;

(b) if so, the reasons therefor;

(c) whether the Government proposes to take any strict action against the erring drug manufacturing companies; and

(d) if so, the details thereof?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN):

(a) to (d) The 74 bulk drugs specified in the first Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. The formula for calculation of retail price of formulations under para 7 of DPCO, 1995 takes into account Excise duty element also. Prices of non-scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.